STATIONERY

OFFICE SUPPLIES

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
1	File Folder System Assorted Hanging	2,400	10.65	25,560
2	Copy Machine Paper Letter 500 CT	6,150	3.80	23,370
3	Copy Machine Paper Legal 500 CT	4,650	4.57	21,250
4	File Folder Hanging 10-Pack	3,920	5.24	20,540
5	Mead File Folders 48 1/3 Cut	5,186	3.36	17,424
6	System Clasp Envelope 9 x 12 25 CT	6,552	2.19	14,348
7	System Clasp Envelope 10 x 13 25 CT	5,484	2.42	13,271
8	Telephone Address Book	3,210	4.02	12,904
9	Dome Weekly Bookkeeping Record	2,044	6.15	12,570
10	Avery File Labels White	10,584	1.00	10,584
11	Telephone Address Book	4,385	2.38	10,436
12	System Stiff Legal Pad	5,568	1.69	9,409
13	Index Cards Colored 3 x 5	13,080	0.72	9,417
14	System Clasp Envelope 6 x 9	5,808	1.59	9,234
15	Address Book Medium	5,232	1.76	9,208

BINDERS & PORTFOLIOS

1	Trapper Keeper Binder	21,163	5.66	119,782
2	Data Center Binder	10,112	5.66	57,031
3	Organizer Binder	5,887	5.56	32,790
4	Trapper Portfolio 2-Pocket	71,952	0.42	30,219
5	Care Bears Portfolio	48,528	0.50	24,264
6	Mead Flex 3 Notebook w/Pad	3,902	5.66	22,319
7	Critter Sitter Portfolio	39,936	0.50	19,968
8	Mead Garfield Portfolio	38,208	0.50	19,104
9	Duo Report Cover 3-Hole 2-Pocket	45,975	0.34	15,631
10	Ess 1½" Canvas w/Clip	5,622	2.41	13,549
11	Trapper Portfolio Fashion Assorted	24,048	0.47	11,302
12	Peanuts Portfolio	20,160	0.55	11,088
13	Scholar Set Filled Binder	1,891	5.66	10,854
14	Smurf Portfolio	21,408	0.50	10,704
15	Garfield Memo Book	20,112	0.54	10,860

SCHOOL SUPPLIES

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
1	Binney & Smith Crayola Crayons 64's	25,344	2.47	62,599
2	Binney & Smith Crayola Crayons 24's	44,280	1.12	49,593
3	Binney & Smith Crayola Crayons 48's	17,982	2.07	37,222
4	Hunt Electric Pencil Sharpener	2,142	16.04	34,357
5	Sargeant Crayons 24's	34,692	0.82	28,447
6	Swingline Stapler Cub	8,264	3.31	27,353
7	Swingline Stapler with Staples	15,324	1.50	22,986
8	Poster Board White	93,600	0.21	19,656
9	Swingline Stapler Home & Office	2,474	7.72	19,099
10	Crayola Markers Fine	8,592	2.10	18,043
11	Hunt Bulldog Sharpener	6,288	2.82	17,732
12	School Bus Assorted School Bag	5,568	2.92	16,258
13	Hunt Bulldog Pencil Sharpener Vacuum	3,124	5.13	16,026
14	Dymo Label Maker	5,211	2.14	11,151
15	Swingline Staple 5M Plastic Box	10,536	1.05	11,062

PAPER & NOTEBOOKS

1	Filler Paper Wide 200 CT	283,824	0.94	267,532
2	Filler Paper Narrow 200 CT	147,218	0.93	136,912
3	Theme Book 5-Subject Wide 200 CT	48,744	1.41	68,944
4	Theme Book Wide 70 CT	61,800	0.50	30,900
5	Theme Book 3-Subject Wide 120 CT	26,544	0.90	27,889
6	Theme Book 3-Subject Wide 120 CT	17,856	1.17	20,891
7	Care Bears Theme Book	13,320	1.12	14,918
8	Theme Book 9½ x 6 College 150 CT	7,152	1.76	12,587
9	Theme Book College 100 CT	9,012	1.34	12,076
10	Theme Book 3-Subject College 120 CT	6,336	1.84	11,658
11	Theme Book 5-Subject College 200 CT	4,380	2.51	10,993
12	Critter Sitter Theme 70 CT	10,248	1.07	10,965
13	Theme Book 4-Subject 6-Pocket	3,849	2.97	11,470
14	5-Star Theme Book College 200 CT	2,640	3.97	10,480
15	Garfield Theme Book 70 CT	9,768	1.07	10,451

(Continued on page 146)

Stationery: Home-Office Role Grows

BY CHARLES BOWLUS
Vice President
Boston Distributors

The stationery and school supply department experienced its best year ever as home and office categories again led both sales and profit growth.

The home office increase, upgraded lines in school supplies and desk accessories and the intense competitive environment in the writing instrument category helped produce profits that offset lower margins resulting from higher paper prices.

Home office contribution to sales will increase even more in 1985 as most retailers are devoting more space to the category and as home and office consumers alike are beginning to come to the discount store first for their needs.

The file box and accessory category is expected to be the most volatile in 1985 with colors the driving force, especially in the desk accessory segment.

Sterling, with five sku's on the 1984 PMA, will capture a significant increase in shelf space and, consequently, sales due to the introduction of bright colors into its line.

More Winners

Esselte, showing the largest growth last year, captured the No. 1 spot on our PMA with its McFile and landed two new entries—the Tote File and the Decofile—on the listing in their first year with Boston.

These products are available in the same bright colors as Sterling, and the two lines create an impactive presentation when merchandised en masse.

Security chests and cash boxes fared well in this PMA with Rockaway's #H300 security chest taking our No. 2 spot and its #H260 cash box landing in No. 3.

File cabinets responded well to promotion and have found a permanent home on many of our large customers' planograms. We expect two-drawer file cabinets to outpace four-drawers in 1985 by a 4 to 1 margin.

The office supply category was led by Esselte's Hanging File Folders, followed by the big surprise in the PMA, copy machine paper in 500-count letter and legal sizes.

Mead's system line landed four sku's in the top 15, up from three put-ups last year.

An upgrading of several key systems items to the new Accuracy Line (similar to Stuart

(Continued on page 146)

Grand Auto Net For Year Drops

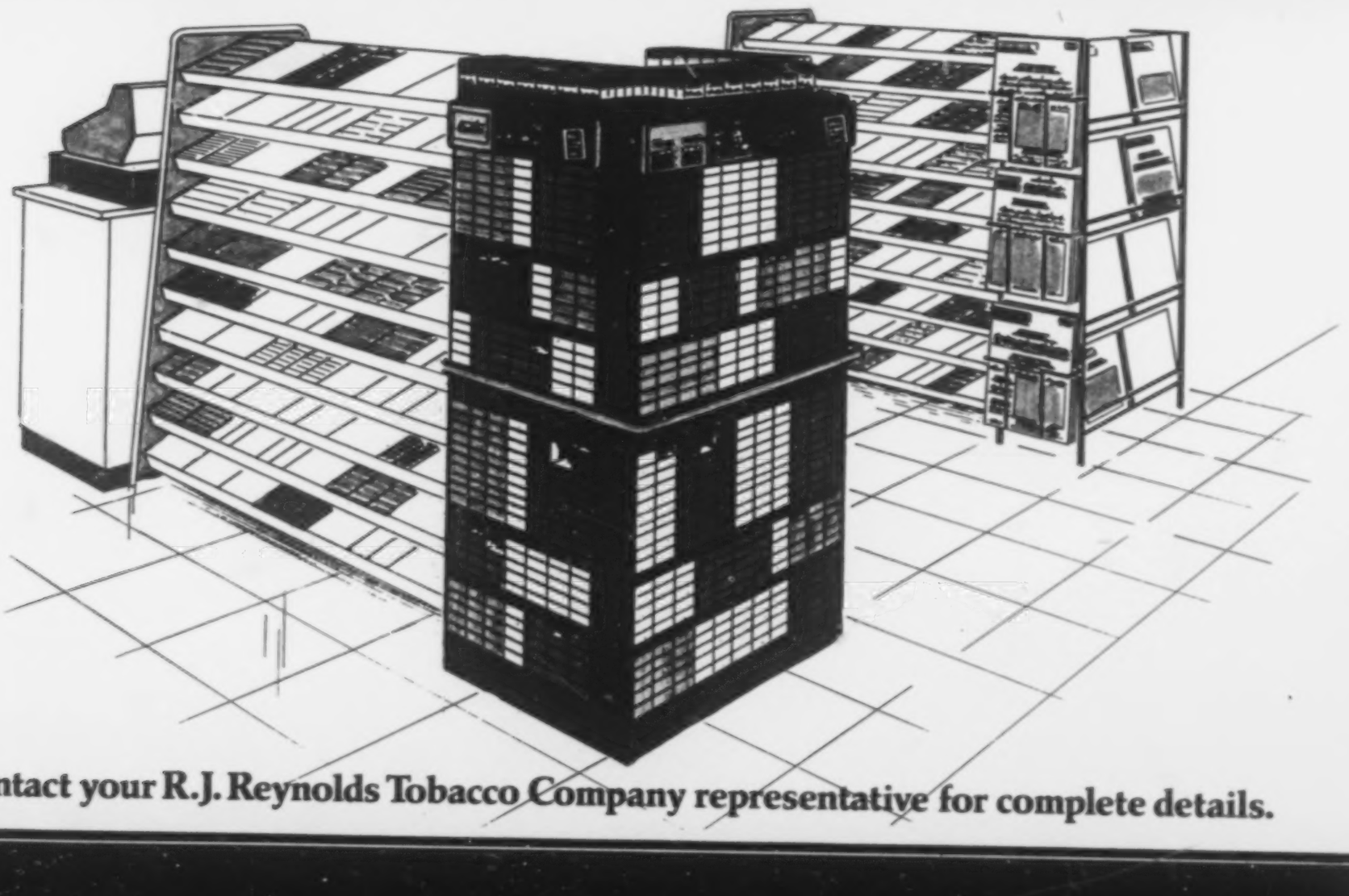
OAKLAND, Calif. — Grand Auto reported a $212,000 earnings decrease for the year ended Jan. 29, 1985: from $5,089,000 for the same period in the prior year to $4,977,000.

For the 52 weeks, sales were up 10.6% to $154,282,000 from $139,503,000 for the comparable period in the previous year.

Fourth-quarter earnings dropped from $1,445,000 to $1,031,000 for the quarter ended Jan. 27, 1985.

It's what's up front that counts.

R.J.Reynolds is committed to maximizing your front end profits with merchandising expertise and programs.



Contact your R.J. Reynolds Tobacco Company representative for complete details.

RJR TOBACCO

R.J. Reynolds. Dedicated to leadership through innovation.

STATIONERY

Despite the popularity of licensed goods, Payless Drug, Beaverton, Ore., counted on basic blue canvas binders, priced at $3.59, to sell during last BTS season. Fast-turning stickers were placed nearby. *(DSN photo)*

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
	WRITING INSTRUMENTS			
1	Empire Pencils 10-Pack	199,104	0.52	103,534
2	Bic Biro 10-Pk Blue Medium	63,816	1.15	73,388
3	Papermate Write Brother 10-Pk Pen	56,682	1.15	64,550
4	Papermate Erasermate 3-Pk Blue Medium	37,476	1.33	49,843
5	Bic 10-Pk	42,716	1.13	48,269
6	Scripto 5-Pk Erasable Pens Blue	30,036	1.39	41,750
7	Crayola Markers Broad	18,552	2.22	41,185
8	Bic 4-Color Pen	17,316	1.49	25,800
9	Crayola Mark-a-Lot Black	35,148	0.58	20,385
10	Papermate Power Point 295 Slim	5,856	3.26	19,097
11	Papermate Pens 10-Pk	15,012	1.15	18,464
12	Crayons Liquid Broad	16,212	1.08	17,506
13	Bic Biro Pens 10-Pk	15,120	1.15	16,329
14	Papermate Jotter Ball Pen	5,080	2.49	12,649
15	Pentel Quicker Clicker Pencil	4,996	2.53	12,624
	TAPES & ADHESIVES			
1	Borden Elmers School Glue 4 oz	47,876	0.64	30,128
2	Scotch Utility Tape ½ x 800	42,096	0.47	19,785
3	Scotch Magic Tape ¾ x 300	22,056	0.66	14,556
4	Pentel Roll & Glue	19,932	0.73	14,550
5	Package Sealing Tape 1½ x 1,000	4,500	3.14	141,300
6	Tuck Cello Tape ½ x 1,000	32,256	0.41	13,224
7	3M Strapping Tape & Dispenser 1,100"	4,836	2.70	13,057
8	Borden Elmers School Glue 1⅛ oz	29,220	0.44	12,856
9	Borden Wonder Bond Plus	6,900	1.83	12,627
10	Scotch Magic Tape ½ x 800	11,304	1.10	12,434
11	Dennison Glue Stick	22,020	0.55	12,111
12	Rubber Cement 4 oz	11,688	0.99	11,571
13	Scotch Magic Refill ¾ x 850	8,208	1.40	11,491
14	Scotch Transparent Tape ½ x 1,100	10,896	1.04	11,331
15	White Paste 5 oz	19,380	0.52	10,077

(Continued on page 148)

Home Office

(Continued from page 142)

Hall's Executive Line) follows the trend we are seeing across the department to build price points and profits.

Mead, like Stuart Hall and several other paper manufacturers, is taking this same approach in the school supply area with its 5 Star Line of theme books and this year's introduction of the Glare-Care line.

The upgraded items in school supplies are producing profits, but retailers should take care that the overproliferation of these products doesn't cut into their turns too heavily.

Traditional themes are, and always will be, the bulk of the business and will afford significant gross margin on a year-round basis. Two hundred count, five-subject themes, featured at $1 during the season, passed up 70-count as the No. 1 wirebound.

Filler paper with an average ad price ranging from 50¢ to 59¢, and an everyday average retail of 93¢, ended up No. 1 in the wide rule and No. 2 in the narrow.

College-rule theme books continued to grow in 1984 as the local discounter is taking away more and more business from the college bookstore.

Fashion, in themes and portfolios, was led by Care Bears followed by Critter Sitter and Garfield. This year will see a continuation of Care Bear and Critter strength but Transformers and Masters of the Universe will show more male influence on the segment this year.

Wuzzles and Cabbage Patch will take up the slack from Garfield's and Smurf's decline in 1985.

The greatest opportunity for improvement in school supplies lies in out-of-season promotion of theme books and writing instruments. The retailer who advertises basics regularly in price point montages from Oc-

(Continued on page 148)

Retailers: There's a big something extra in our number-one promotion for summer

Your customers get free gasoline from us when they buy SHELL FIRE & ICE® from you

Schedule this promotion for any 30 days from May 1 to August 31. Then go for it. This terrific new promotion has lots of appeal.

Yes, free gasoline *or* free motor oil, whichever your customer chooses. Watch customers come running in when they hear about our newest offer: *free gasoline.* We also make a strong optional offer (for people who live in areas where Shell gasoline is not available): free motor oil. The customer makes his choice of offers when he sends us the P.O.S. certificate.

And all *you* have to choose is whether you want to go with the $2 or the $4 offer—which will your customers like best?

$2 worth of Shell gasoline or Shell Motor Oil *free* with purchase of 5 quarts of Shell Motor Oil

or

$4 worth of Shell gasoline or Shell Motor Oil *free* with purchase of 12 quarts of Shell Motor Oil

Where do your customers get their free gasoline? At any participating Shell stations when they redeem their gasoline coupons.

Here's what we offer you to make this a hot summer promotion:

- $1/case allowance on products you purchase and advertise
- $2/case allowance on all products bought during the promotion
- An additional $1/case Grand Opening allowance
- Plus ad slicks, radio copy, shelf talkers, rebate coupons

Call your Shell Representative now to order:

New York: Jimmy Jones, (201) 325-5497
Chicago: Tom Walsh, (312) 887-5775
Detroit: Larry Polich, (313) 855-9000
Los Angeles: Nancy Curry, (714) 991-9200

Shell

Survival

(Continued from page 140)

robe item"; sporting goods, up 3.9% because of growing interest in recreational activities, and toys, up 7.2% because of more first births and the growing portion of this business tied to electronic sales.

The report also analyzed growth trends among retail mail order and direct selling outlets. It said mail order retailing will continue to grow, as it did from 1970 to 1980, at a rate twice as fast as store retailing; its annual average increase in the 1980's will be 6.3% in real dollars.

The success of this market is based upon the continued well-being of existing companies, while the many new catalogs launched each year will not survive long. The real growth here, however, is more reflective of phone ordering and the gradual emergence of computer-based ordering than of traditional mail order selling.

While computer-generated sales are not expected to be strong in the 1980's they may take off after 1990, predicted the study.

STATIONERY

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
STATIONERY & NOTES				
1	Palette Letters Tablet	3,936	1.24	4,880
2	Boxed Country Applique	1,320	3.68	4,857
3	Critter Sitter Tablet	4,464	0.97	4,330
4	Mead Human Beans Tablet	2,976	1.38	4,106
5	Notes—December Assorted	3,432	1.11	3,809
6	Moods in Blue Tablet	5,040	0.75	3,780
7	Garfield Tablet	3,660	0.97	3,550
8	Favorite Tablet 36 CT	3,696	0.96	3,548
9	Mead Lace Tablet 90 CT	2,640	1.34	3,537
10	Boxed—Critter Sitter	1,812	1.86	3,370
11	Boxed—Boutizue Assorted	1,224	2.59	3,170
12	Decorated Letter Tablet	4,068	0.75	3,051
13	Tablet Plain 5 x 8 60 CT	4,452	0.68	3,027
14	Boxed—Design Series	792	3.68	2,914
15	Sang Victoria Plum Boxed	1,008	2.80	2,822
PARTY SUPPLIES				
1	Assorted Balloons	28,800	0.78	22,176
2	Fluorescent Color 28 PC	56,592	0.27	15,279
3	Party Balloons	7,742	0.78	6,046
4	Dennison Streamer White 81'	10,511	0.55	5,781
5	Birthday Balloons	6,768	0.78	5,279
6	Water Balloons	5,688	0.78	4,436
7	Dennison Streamer Happy Birthday	6,758	0.61	4,122
8	Squawker Balloons	4,452	0.90	4,006
9	Dennison Streamer Primrose Yellow	7,200	0.55	3,960
10	Dennison Streamer Pink	7,172	0.55	3,944
11	Assorted Cocktail Npakins	4,344	0.88	3,822
12	Dennison Streamer Ice Blue	6,753	0.55	3,714
13	Large Balloons 20 CT	4,548	0.80	3,638
14	Dennison Streamer Flame Red	6,367	0.55	3,501
15	Hang One Balloons 80 CT	3,396	0.96	3,260

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
TYPING SUPPLIES				
1	Liquid Correction Fluid White	22,188	1.06	23,519
2	Typing Paper 200 CT	23,208	1.47	34,115
3	Eaton Type Packet Erasable 16 lb	7,032	2.26	15,892
4	Type Tablet Erasable	9,300	1.65	15,345
5	Data Steno White 80 CT	33,024	0.46	15,191
6	Erasable Type Tab 40 CT	11,016	0.97	10,685
7	Typing Tablet 40 CT	14,004	0.76	10,643
8	Mead All Calculator Rolls	5,604	1.29	7,229
9	Carter Expert Corrective Tabs	6,876	1.00	6,876
10	Twin Spool Type Ribbon #01	2,352	2.06	4,845
11	Carter Universal Type Ribbon	2,580	1.43	3,689
12	Carter Carbon Paper 12 CT	5,088	0.72	3,663
13	Typing Paper 200 CT	1,776	1.79	3,179
14	Twin Spool Type Ribbon #04	1,530	2.05	3,136
15	Onionskin Paper 30 CT	3,036	1.03	3,127
FILE BOXES & DESK ACCESSORIES				
1	Essoltate McFile Box 40780	1,140	14.34	16,347
2	Rockaway Security Cheat H300	1,074	13.46	14,456
3	Rockaway Cash Box H260	1,307	10.14	13,252
4	Essoltate Tote File Blue 4060	1,392	6.89	9,590
5	Ste Desk Tray with Cutout 282	3,322	2.88	9,567
6	Rolodex Covered S300C	1,322	7.15	9,452
7	Rolodex Decorated File VIP24	789	11.16	8,805
8	Ste Drawer Organizer Smoke 299	3,664	2.28	8,353
9	Ste Desk Mate 288K	2,352	3.46	8,137
10	Rockaway Bond Box H250	864	8.69	7,508
11	Rolodex Petite Organizer RP100	578	11.49	6,641
12	Essoltate Decofile Assorted Colors 40795	2,352	2.80	6,585
13	Ballanoff Super Porta-File Folder 2512T	590	10.59	6,248
14	Ste Memo Holder 4 x 6 Smoke #285	1,745	3.24	5,653
15	Ste Pencil Cup #287	2,652	2.08	5,516

Source: Boston Distributors, Maple Heights, Ohio, for calendar 1984. Boston supplies over 750 stores, including about 400 discount stores, in 18 states. Average retail prices listed by the distributor reflect typical price points for discount stores.

Home Office

(Continued from page 146)

tober through April will bring heavy consumer traffic to a very profitable aisle.

The writing instrument department was hotter than ever in 1984 with Bic, Papermate and Scripto vying for the big dollars.

Empire's 10-pack pencils, featured from 39¢ to 2/$1, again took top honors with Bic's Biro 10-packs coming in second.

Ten-packs jumped in front of erasables in 1984 with Papermate scoring in the No. 3 position and the Bic Stick 10-pack ending up No. 5.

Erasermate's 3-pack edged out Scripto's 5-pack for top honors in this segment, but Scripto outscored Gillette's brand when all put-ups were tabulated.

The pen segment should get even hotter in 1985 with prices remaining very competitive and marketing plans, including cash rebates for full purchase price, improving significantly this year.

Promotions which tie in to manufacturer refunds and which are prominently displayed in the store will effect substantial increases in business.

Out-of-season promotion of basic back-to-school items will create even more plus sales as the impulse nature of the category will become evident as more customers are brought to the aisle.

Year-round promotion of home and office products and impactive presentation of this section will complete the strategies needed to maximize the sales and profitability of this important growth department.

Recruiting

(Continued from page 104)

cludes 20 half-day sessions on topics such as assortment planning, vendor relations, customer safety, product liability and open-to-buy.

Once promoted to associate buyer, where they generally stay two years, they attend trade shows, visit vendors with a buyer and are responsible for a classification, say, such as glassware or flatware. When made a full buyer, the person also travels abroad to import and gets a broader buying responsibility such as decorative tabletop, Schmelzer explained.

Gold Circle's network includes two gmm's, 10 dmm's, 50 buyers, 25 associates and 25 assistants. "We don't run an up or out situation," said Schmelzer. "If people want to stay at a level, we encourage it for stability."

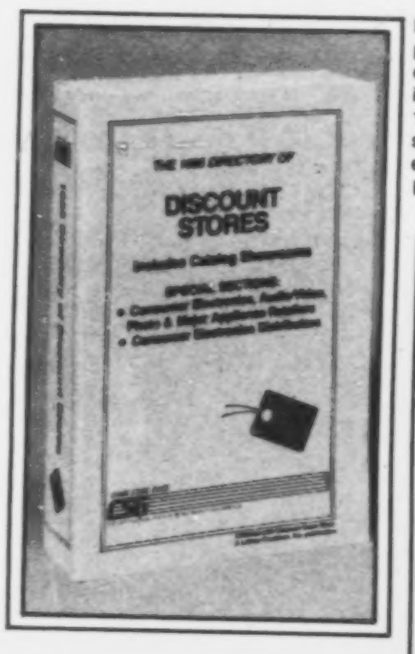
The program doesn't restrict the chain from recruiting outside, however. "If we wanted to be more aggressive, say, in maternity or plus sizes and had an opening, we might look at a Lane Bryant buyer," said Schmelzer.

To help new buyers like that oriented toward Gold Circle, the chain last year began semiannual seminars that are run by dmm's, she said.

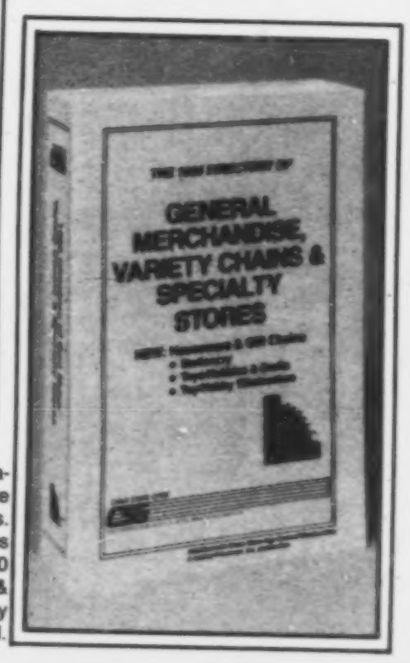
HOW CAN YOU BE SURE YOU'RE COVERING THE MARKET?

For over 50 years, CHAIN STORE GUIDES have provided manufacturing and service businesses with comprehensive, accurate and up-to-date sales information on all the major retail and wholesale sectors throughout the country. These guides have helped thousands of sales and marketing professionals to increase their sales, broaden their distribution, identify their industry's key decision-makers, stay on top of major industry changes and merchandising trends, and maintain hands-on control of their respective markets.

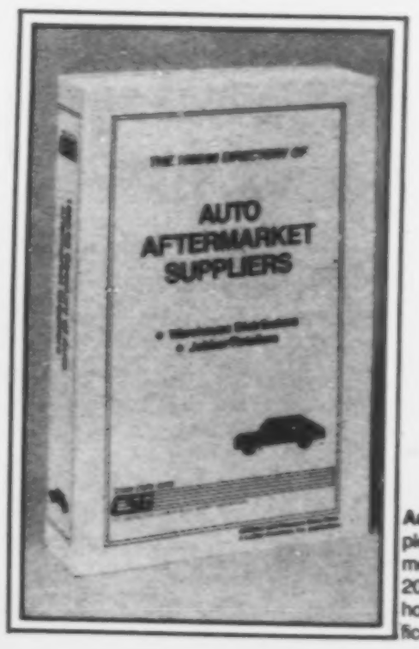
Whether they're used as a telemarketing tool or as a source for uncovering new leads and compiling direct mail lists, Chain Store Guides are the most reliable sources of timely market information available and will assure you of getting maximum sales coverage for your products!



Discount Stores—Complete company profiles on over 350 discount store companies operating 8,100 stores. Also included in three separate sections are: 1,600 catalog showrooms; 3,700 consumer electronic, audio & photo retailers, and 225 CE distributors. Published annually in March.



GM/Variety Chains—Complete company profiles on 750 GM/Variety store chains operating over 20,000 stores. Also included in four separate sections are: 1,600 houseware & gift chains; 400 toy/hobby & craft chains; 500 toy & hobby wholesalers, and 950 stationery chains. Published annually in April.



Auto Aftermarket Suppliers—Complete company profiles on 1,900 automotive jobber/retailers operating over 20,000 stores as well as 680 warehouse distributors and their branch offices. Published biennially in December.

Order your new Chain Store Guides by using the coupon below.

YES! Please send me the following CHAIN STORE GUIDE directories:

QTY	DIRECTORY	PRICE
_____	1985 Discount Stores/Catalog Showrooms	$169
_____	1985 GM/Variety Chains & Specialty Stores	$159
_____	1985/86 Auto Aftermarket Suppliers	$149

☐ **I am also interested in obtaining the information contained in these directories on magnetic tape or diskette. Please have a salesperson contact me with more information.**

Name _____ Title _____

Company _____ Phone # _____ (area code)

Address _____

City _____ State _____ Zip _____

Signature _____

Product Sold _____ Date _____

CHAIN STORE GUIDE

425 Park Avenue
New York, NY 10022
(212) 371-9400
A subsidiary of Lebhar-Friedman, Inc.

☐ Bill Company (subject to credit approval)
☐ Check Enclosed
☐ Please Charge: _____ American Express _____ Visa _____ MasterCard
A/C# _____
Exp. Date _____

Please add applicable sales tax (NY/CA) and $3.00 shipping & handling per shipment. Prices subject to change.

CHAIN STORE GUIDE

THE LEADING PUBLISHER OF RETAIL MARKET INFORMATION • DATA-BASE MARKETING

HOUSEWARES

COOKWARE

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
1	Ekco 64330 bakers db cake pan	30,061	3.95	118.740.95
2	Ekco 64110 bakers cookie sheet	26,909	4.40	118,399.60
3	Ekco 64100 bakers cookie sheet	23,284	3.95	91,971.80
4	Ekco 64260 bakers roast/bake pan	14,372	5.39	77,466.08
5	Ekco 64200 bakers 12-cup muffin	16,214	4.76	77,178.64
6	Foley 38279 12-in saute pan	6,873	10.79	74,159.67
7	Foley 38079 10-in saute pan	8,964	8.09	72,518.76
8	Normandy 312G 12-qt saucepot bone	4,227	14.39	60,826.53
9	Ekco 54110 cookie sheet	22,556	2.69	60,675.64
10	Ekco 64900 9-pc bakers secret set	1,920	26.09	50,092.80
11	Hillside HM60SP spring form pan	6,609	7.19	47,518.71
12	Mirro C5509/2292CN 9-cup perk	5,174	8.99	46,514.26
13	Ekco 64470 bakers loaf pan	12,493	3.59	44,849.87
14	Ekco 54330 roasting pan	18,525	2.33	43,163.25
15	Hillside HM50 SP layer cake-loose btm	5,700	7.55	43,035.00

BATH

1	Selfix N443 Portable shower spray	7,024	10.34	72,628.16
2	Magnolia M100 molded toilet seat white	6,444	9.44	60,831.36
3	Selfix 2253 large shower caddy	11,229	5.12	57,492.48
4	Selfix C441 shampoo spray	22,255	2.29	49,851.20
5	Magnolia M3000A padded seat white	2,320	17.54	40,692.80
6	Ekco 38110 18-in towel bar	14,450	2.69	38,870.50
7	Selfix 2110 twin hooks	26,163	1.43	37,413.09
8	Selfix 2251 shower caddy	11,351	3.14	35,642.14
9	Ekco 38890 toilet tissue holder	13,007	2.51	32,647.57
10	Ekco 38170 24-in towel bar	10,644	3.05	32,464.20
11	Ekco 38160 24-in twin towel bar	6,391	4.76	30,421.16
12	Ekco 38120 12-in towel bar	11,633	2.42	28,151.86
13	Selfix 2274 24-in towel bar	12,282	2.24	27,511.68
14	Selfix 2298 tissue holder	12,426	2.15	26,715.90
15	Selfix 2273 18-in towel bar	12,615	2.06	25,986.90

CORNING

1	Visions 1-qt cov sauce pan	11,394	13.49	153,705.06
2	V300 Visions 6-pc pan set	2,789	43.37	120,958.93
3	P104-8 Spice teapot	3,046	18.89	57,878.96
4	V20 Visions cov double boiler	1,970	26.99	53,170.30
5	F2 French White 2.5 oval cov casserol	2,320	20.96	48,627.20
6	A21 roaster	2,088	22.49	46,959.12
7	F14 French White 4-qt cov oval cass	1,537	28.16	43,281.92
8	P100 3-pc Menuette set	1,605	25.19	40,429.95
9	F260 French White 3-pc set	1,339	30.14	40,357.46
10	F21 French White 4½-qt open roaster	1,477	27.26	40,263.02
11	P104 teapot	2,170	17.09	37,085.30
12	P168-57 teapot 8-cup choc	1,516	23.12	35,049.92
13	P168-58 teapot 8-cup lemon	1,487	23.12	34,379.44
14	F330 French White 4-pc set	690	49.49	34,148.10
15	P168-60 teapot 8-cup blueby	1,312	23.12	30,333.44

RUBBERMAID

1	2864 Fliptop basket choc	12,723	8.54	108,654.42
2	2965 Laundry basket choc	17,408	5.93	103,229.44
3	2965 Laundry basket almond	17,177	5.93	101,859.61
4	6032 Drainer almond	14,725	6.74	99,246.50
5	0450 Bath mat white	24,337	3.86	93,940.82
6	0450 Bath mat lt blue	23,357	3.86	90,158.02
7	2864 Fliptop basket almond	10,135	8.54	86,552.90
8	2850 Lft lid basket choc	9,619	8.54	82,146.26
9	6032 Dish drainer choc	12,078	6.74	81,405.72
10	2850 Lft lid basket almond	9,284	8.54	79,285.36
11	2951 Dishpan almond	23,661	3.32	78,554.52
12	2858 Step-on wastebasket choc	5,832	13.13	76,574.16
13	6008 Drainer almond	12,944	5.84	75,592.96
14	2845 Basket choc	15,479	4.85	75,073.15
15	2951 Dish pan choc	22,242	3.32	73,843.44

TABLE TOP

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
1	Corelle 16-23 16-pc set MB	10,191	32.84	334,672.44
2	Corelle 16-4 16-pc set gold	9,792	32.84	321,569.28
3	Corelle 16-5 16-pc set blue	8,020	32.84	263,376.80
4	Corelle 16-1 16-pc set green	7,600	32.84	249,584.00
5	Expressions 2020-13 20-pc set Meadow	2,460	65.69	161,597.40
6	Expressions 2020-12 20-pc set Indian Summ	2,267	65.69	148,919.23
7	Expressions 2020-7 20-pc set Wildflower	2,248	65.69	147,671.12
8	Corelle 16N 16-pc set white	3,916	32.84	128,601.44
9	Dimensions IV 3216-32 16-pc set cin	2,153	47.69	102,676.57
10	Corelle 2 2025 20-pc set Solitr	1,890	48.59	91,835.10
11	Dimensions IV 3216-34 16-pc set slt	1,799	47.69	85,794.31
12	Dimensions IV 3235-34 35-pc set slt	734	110.24	80,916.16
13	Corelle 2 20-95 20-pc colonial	1,622	48.59	78,812.98
14	Corelle 2 20-26 20-pc F Spray	1,488	48.59	72,301.92
15	Corelle T20-82 20-pc Cornerstone cb	751	86.39	64,878.89

PLASTICS

1	Tucker T334 22-gal trash can	6,610	8.99	59,423.90
2	Eagle E2757 2-qt juice decnt clear	25,175	1.97	49,594.75
3	Sterlite 7400 jumbo storage box	7,648	6.11	46,729.28
4	Loma 364 32-gal ref cnt locklid	3,710	12.32	45,707.20
5	Sterlite S2122 2-qt refrige bottle	15,726	1.97	30,980.22
6	Sterlite 4400 large storage box	6,831	4.49	30,671.19
7	Eagle E2755 juice dispens	24,427	1.25	30,596.25
8	Vanderbilt 751 nylon baster	23,085	1.25	28,856.25
9	Artisan 7375 16-pc set fall flower	1,962	13.49	26,467.38
10	Aristo-Mat CS53D decor cutting board	4,104	6.29	25,814.16
11	Sterlite 1100 small storage box	12,618	1.79	22,586.22
12	Artisan 7308 16-pc del set Glenwood	1,662	13.49	22,420.38
13	Schulte 1248W shelf rack 12 x 48	1,452	14.39	20,894.28
14	Beacon L85 paper towel holder	10,130	2.06	20,867.80
15	Schulte 1236W shelf rack 12 x 36	1,578	11.69	18,446.82

PYREX

1	233 Utility dish	16,395	6.74	110,502.30
2	2330 3-qt Bake dish + basket	6,014	17.81	107,109.34
3	463D Custard cup	25,202	3.77	95,011.54
4	2344 Oblong bake dish	9,242	8.90	82,253.80
5	516 Measure cup	24,022	3.14	75,429.08
6	232 Utility dish	12,841	5.84	74,991.44
7	532 Measure cup	15,201	4.67	70,988.67
8	6230F Cov cass & basket, Fireside	6,696	10.52	70,441.92
9	508 Measure cup	25,779	2.60	67,025.40
10	6840 2-qt Casserole + basket	3,744	17.81	66,680.64
11	2296 Pie plate	21,673	3.05	66,102.65
12	440-95 4-pc Bowl set Colonial	3,507	17.91	62,810.37
13	2320F 2-qt Bake dish & basket	4,821	11.60	55,923.60
14	440-80 4-pc Bowl set Shenandoah	3,020	17.91	54,088.20
15	440-61 4-pc Bowl set, Forest	2,888	17.91	51,724.08

GADGETS

1	Swing Away 407-21 hand can opner	20,914	5.03	105,197.42
2	Swing Away 107 junior can opner	29,385	2.60	76,330.80
3	Intermatic D111B plug-in timer	8,451	8.99	75,974.49
4	Intermatic D811B cordless timer	5,804	12.59	73,072.36
5	Range Kleen 102 8-in reflector	18,677	3.05	56,964.85
6	Range Kleen 101 6-in reflector	21,489	2.60	55,871.40
7	Intermatic D711B supercop plug-in timer	5,071	10.79	54,716.09
8	Ekco 00050 stainless peeler	33,252	1.61	53,535.72
9	Rhodes 29031-UC timer white	6,889	7.64	52,631.96
10	Rhodes 29035-UC timer almond	6,224	7.64	47,551.36
11	Ekco 08840 4-way can opner	27,288	1.61	43,933.68
12	Helmac 39RC lint refill	21,000	2.06	43,260.00
13	Range Kleen 105A GE/Hotpoint reflector	27,500	1.43	39,325.00
14	Vanderbilt 103 mouse trap 2-pk	44,165	0.89	39,306.85
15	Range Kleen 106A GE/Hotpoint reflector	19,799	1.97	39,004.03

(Continued on page 152)

Basics Biz Seen Ruling Housewares

By Harold Rubin
president,
HalMar Distributors

Despite soft sales reported by many discount chains for the fiscal year just ended, we saw strong sales performance in the housewares categories we handle. This was especially true in the closing months of 1984, and the first months of 1985 when we went in to refill basics stocks—which at many chains we found entirely wiped out.

We never before experienced such a decimation of basic products. And, we expect the current consumer attitude to favor basics over big-ticket items, to characterize business throughout 1985.

Thus, even in two areas where buyers were favorably impressed with what they saw at the recent housewares show in Chicago—microwave cookware and under-the-counter electrics—inventory management concerns will dictate stocking positions rather than an impulse to salt departments with new products.

Regional preferences will also dictate a lot of what happens. In many parts of the country, microwave ovens have yet to find their way into many households, obviously significantly limiting the market for microwave cookware.

In the Northeast, however, we find that there is strong, and growing consumer acceptance for the ovens. Thus, we expect to see a rapid acceleration of last year's meager 4% share, which should translate into strong microwave cookware sales for chains in this region.

We advise our customers to avoid overassorting the category, and to stock a maximum of three lines with a good and better retail pricing strategy.

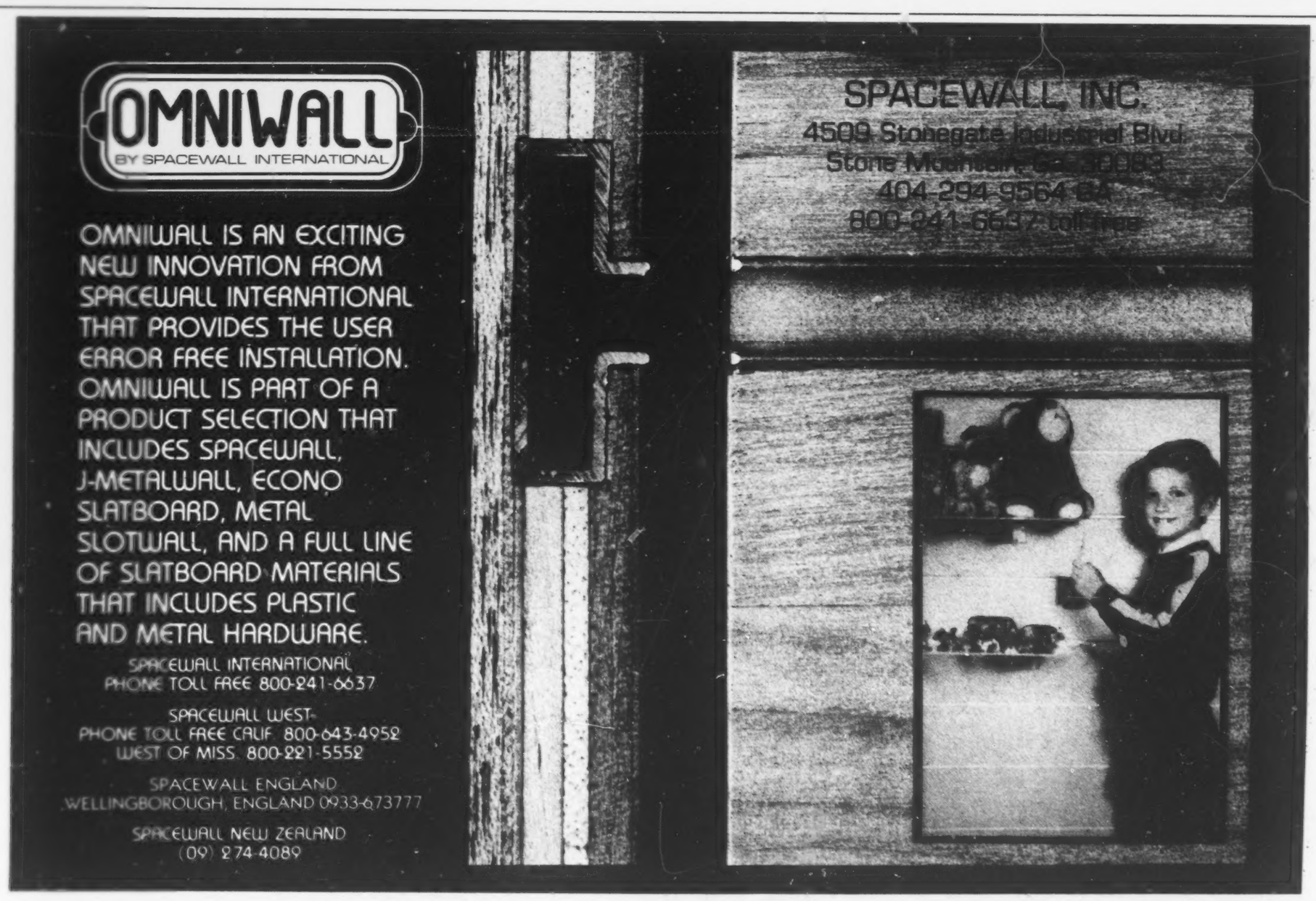
In 1984, our best sellers in this area were a bacon rack from Anchor, which carried an average retail of $7.37; Anchor's corn popper, $13.49, and a Corning grill, at $31.49. The No. 1 unit and dollar volume spot earned by the bacon rack was tied directly to the item's success as a promotable item during the year.

Food storage will continue to surge this year—directly tied to its success as a promotable item. Improved packaging, stepped-up advertising support and new-product entries from manufacturers like Rubbermaid, Eagle and Republic should also continue to spark strong sales in the category.

Overall, most discounters are keeping their housewares departments and category footage allocations stable, and using promotions more and more to produce sales gains. In 1984, we saw chains, particularly in the Northeast, buying items for promotions they didn't normally carry for no reason other than to increase sales volume.

We expect this trend to continue in 1985.

(Continued on page 152)


OMNIWALL
BY SPACEWALL INTERNATIONAL
OMNIWALL IS AN EXCITING NEW INNOVATION FROM SPACEWALL INTERNATIONAL THAT PROVIDES THE USER ERROR FREE INSTALLATION. OMNIWALL IS PART OF A PRODUCT SELECTION THAT INCLUDES SPACEWALL, J-METALWALL, ECONO SLATBOARD, METAL SLOTWALL, AND A FULL LINE OF SLATBOARD MATERIALS THAT INCLUDES PLASTIC AND METAL HARDWARE.
SPACEWALL INTERNATIONAL
PHONE TOLL FREE 800-241-6637
SPACEWALL WEST
PHONE TOLL FREE CALIF. 800-643-4952
WEST OF MISS. 800-221-5552
SPACEWALL ENGLAND
WELLINGBOROUGH, ENGLAND 0933-673777
SPACEWALL NEW ZEALAND
(09) 274-4089
SPACEWALL, INC.
4509 Stonegate Industrial Blvd.
404-294-9564 GA
800-241-6637 toll free

HOUSEWARES

Discounters like Bigg's, Cincinnati, are trying to raise their small share of the exploding mini-blind business by carrying stock mini-blinds with DIY information hung above, along with standard window shades. *(DSN photo)*

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
	GLASSWARE			
1	Anchor 3500/672A entertainer set	7,747	30.59	236,980.73
2	Anchor 3600 24-pc cryst Newport	5,872	16.19	95,067.68
3	Anchor PM 486/T1 divided dish w/cov	8,280	7.19	59,533.20
4	Libbey 82486T 24-pc Bolero Tawny	3,262	17.99	58,683.38
5	Libbey 81837D 18-pc Capri blue	4,034	14.39	58,049.26
6	Libbey 82486D 24-pc Bolero blus	3,201	17.99	57,585.99
7	Libbey 81837T 18-pc Capri tawny	3,957	14.39	56,941.23
8	Libbey 82437D 24-pc bl count squire	1,586	29.69	47,088.34
9	Libbey 81837K 18-pc Capri gold	2,785	14.39	40,076.15
10	Libbey 82430K 24-pc Country Garden gold	1,508	23.39	35,131.78
11	Anchor BB 3100/324 18-pc Plaza black	2,409	14.30	34,448.70
12	Libbey 82482 24-pc Chivalry	1,293	26.09	33,734.37
13	Anchor 4523 Wexford butter/w cov	15,314	2.15	32,925.10
14	Libbey 8476 Grande tulip 9 oz	12,695	2.51	31,864.45
15	Anchor 4525 Wexford salt & pepper	12,524	2.15	26,926.60
	MICROWAVE			
1	Anchor PM 469/T1 bacon rack	16,719	7.37	123,219.03
2	Anchor PM400/126 corn popper	8,856	13.49	119,467.44
3	Corning MW-2 grill	3,023	31.49	95,194.27
4	Corning MWA cov browning skillet	2,726	31.49	85,841.74
5	Corning MW116 5-pc set	2,238	35.99	80,545.62
6	Corning MW-11 browning grill	3,829	20.24	77,498.96
7	Anchor PM481/TI Versatility	8,867	7.19	63,753.73
8	Nordic 62304 Micro-go-round	1,378	43.19	59,515.82
9	Anchor PM444/TI cookie sheet	7,195	7.19	51,732.05
10	Rubbermaid 8534 8-pc cook set	960	39.59	38,006.40
11	Corning MC6 divided dish	1,721	18.89	32,509.69
12	Anchor PA600-112 turntable	722	41.39	29,883.58
13	Anchor PM447/TI muffin tin	4,058	7.19	29,177.02
14	Anchor PM480/TI 4-qt sim cook	2,058	13.76	28,318.00
15	Anchor PM497-W1 cookshelf	2,059	13.49	27,775.91

Source: HalMar Distributors, Holyoke, Mass., for the full calendar year 1984, covering more than 500 stores, including 400 full-line discount stores from New England to the Carolinas. Average retail prices reflect typical price points for discount chains.

Basics

(Continued from page 150)

As a result, the competition in newspaper ads and circulars is becoming very stiff. This, in turn, is forcing buyers to become more imaginative to create distinctive promotions for their chains. Working against them, however, is the consolidation of the industry; fewer new products and a shrinking pool of vendors able to supply the kinds of quantity the large discount chains need.

To ease the pressure, and keep price points at the lower end of the retail scale, many chains will beef up their import programs this year. We anticipate seeing imports increase to about 10% of chain orders this year, more than double what they were in 1984.

At the same time, price-cutting by many top domestic vendors should further stimulate chain promotional activity, again with emphasis on the basics.

Price Drop

Corning, for example, recently dropped prices on many of its products and has become highly promotional on Corelle to hold its market share line against imports like 16-pc. Brazilian ironstone sets, which many chains are advertising for under $10.

The No. 1 table top seller last year was 16-pc. Corelle. In fact, the sets held the top four spots, accounting for more than $1.169 million of retail sales with over 35,000 sets sold during the 12-month period covered by this Product Movement Audit.

Other favorite discounter promotions in 1984 were those featuring gadgets, like Swing Away can openers (first and second spots on that Product Movement Audit); cake pan and cookie sheets from Ekco in the cookware category; a portable shower spray from Selfix, which on ad allowed discounters to hit an under-$10 price point. An even lower-priced $2.29 shampoo spray, also from Selfix, was one of the top movers in the bath category for the year.

Cotton Stretches Apparel Share

NEW YORK — Last year cotton took a 39% share of the retail apparel market, up from 38% in 1983 and 32% in 1975, the year cotton's share in the marketplace began to climb.

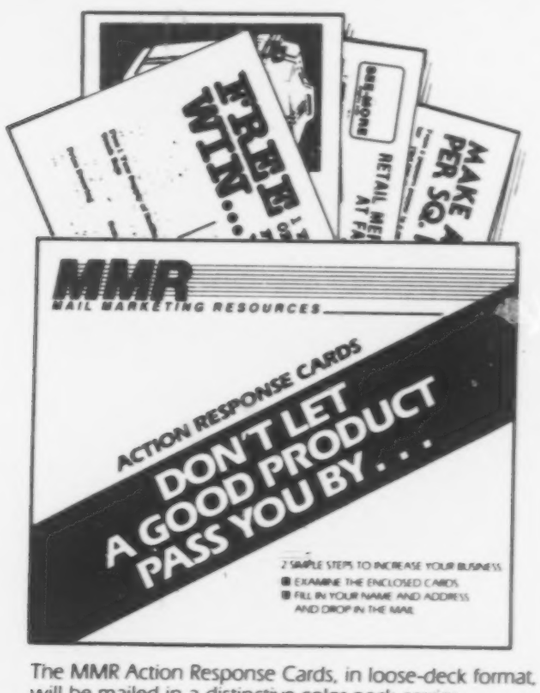
Overall cotton now accounts for 40% of all fiber (excluding carpets) purchased in the United States, up from 39% in 1983 and 34% in 1975, according to Cotton Inc.'s figures, which are based on consumer purchase statistics from the Market Research Corporation of America.

Robert J. Boslet, president of Cotton Inc., predicted cotton will eventually dominate the market, taking a 46% share by 1990 and a 50% share by 1984, at the expense of synthetic fibers, which he said suffer from image problems with American consumers.

In women's wear, cotton took a 30% share in 1984, up from 28% the year before and 16% in 1975.

Cotton's share of the men's apparel market remained at 50% last year, up from 42% in 1975.

In the jeans market, cotton had an 87% share of the market last year, an increase from 85% the year before and 80% in 1975.


FREE! WIN...
MAKE PER SQ.
MMR
MAIL MARKETING RESOURCES
ACTION RESPONSE CARDS
DON'T LET A GOOD PRODUCT PASS YOU BY . . .
2 SIMPLE STEPS TO INCREASE YOUR BUSINESS
EXAMINE THE ENCLOSED CARDS
FILL IN YOUR NAME AND ADDRESS AND DROP IN THE MAIL

The MMR Action Response Cards, in loose-deck format, will be mailed in a distinctive color pack carrier.

SPECIAL ACTION RESPONSE CARD MAILING TO AMERICA'S LEADING RETAIL OPERATIONS EXECUTIVES!

We'll get your products and/or services in front of 30,000 retail operations decision makers—the Top working executives: Presidents, Owners, VP's of Operations, Store Planning, Development, Real Estate, Construction, Directors of Maintenance, Purchasing, Security, Personnel, Warehousing, Energy, MIS/EDP and Buyers of Equipment and Fixtures—at the leading chains and high volume independent retailers.

SUPERMARKET CO's.
RESTAURANT CO's.
APPAREL SPECIALTY CO's.
HOME CENTER & HARDWARE CO's.
DRUG CO's.
DEPARTMENT STORE CO's.
DISCOUNT STORE CO's.
AUTO SUPPLY CO's.
CONSUMER ELECTRONIC STORE CO's.
GENERAL MERCHANDISE CO's.

. . . at the lowest direct mail cost, target-marketed to a concentrated and select executive audience drawn from Lebhar-Friedman's own **Chain Store Guides, the #1 source of information on the retail market!**

1 Card **$1,600**
2 Cards ..... **$1,440 each**

MECHANICAL REQUIREMENTS:
Prepared type and artwork should not exceed an area measuring 3 in. x 5 in. Size of the complete cards will be 3½ in. x 5½ in. trimmed. Camera-ready art should be supplied for both sides of the card. Where halftones are required, the advertiser should provide quality glossy prints or illustrations. Art and photos should be cropped for correct reduction. Artwork must not include bleeds. Avoid large blocks of solid areas where possible. Your sales message appears on one side, while the opposite side is printed with your company name and postpaid address. Your prospect fills in his name and address and drops your card in the mail.

No cancellations will be accepted after AUGUST 23, 1985

To further support your advertising message, we'll do a follow-up mailing to 2,500 key executives from the major chain headquarters . . . doubling your sales impact!

CLOSING DATE FOR RESERVATION: AUGUST 12th
CLOSING DATE FOR COPY: SEPTEMBER 4th
MAILING DATE: SEPTEMBER 30th
BONUS MAILING: OCTOBER 31st

Clients who have benefited with the Action Response Card mailings

GTE PRODUCTS CORP.
DATASERV
TELXON CORP.
THE STANTON CORP.
CANNON EQUIPMENT
MADIX STORE FIXTURES
SAFE STRAP
MONARCH MARKING SYSTEMS, INC.
RITE-HITE (MESSANINE DIV.)
LITTON STREATER
SE-KURE CONTROLS
TURN-O-MATIC CO.
GOLD METAL PRODUCTS
TOLEDO SCALE CO.
FASTAG CORP.
SIMPLEX TIME RECORDERS, INC.

MMR
MAIL MARKETING RESOURCES

We're a division of Lebhar-Friedman, Inc., publisher of Chain Store Age Executive, and we understand your marketplace.

Contact:
Vicki White/Fern Savrin
Mail Marketing Resources
425 Park Avenue
New York, NY 10022
212 371-9400

☐ **Yes, I want in! Please reserve ____ card(s) for the special September Action Response Mailing in 1985.**
☐ **PLEASE HAVE A REPRESENTATIVE CONTACT ME WITH FULL DETAILS.**

NAME _____ TITLE _____
SIGNATURE _____
COMPANY NAME _____
ADDRESS _____
CITY _____ STATE _____ ZIP _____
PHONE # _____ DATE _____
PRODUCT _____ E2/85

HOUSEWARES

Selective Trade-up Continues

By ARNOLD REINHARD
Vp-Sales and Marketing, Schreiber Company

PRODUCT MOVEMENT AUDIT

Housewares trends toward more moderate pricing—with only selected trade-ups in key categories such as food storage, microwave and closet accessories—that emerged in 1984 will continue to play an important role this year.

This year is evolving as one of hefty housewares promotions—especially in cookware, dinnerware and glassware—among suppliers and discounters. Pricing is currently the key concern for buyers who are experiencing sharper competition, as many chains remain highly promotional to clear stubbornly high inventories beyond the first quarter.

In 1985, manufacturer trade rebate programs continue to be bold and generous, with vendors like Corning, Anchor Hocking and Rubbermaid among the industry leaders. Once again, we see suppliers being forced to buy their housewares market shares.

Corning also dropped prices recently on many items—including Cornerstone and microwave cookware—and stepped up Corelle promotions to help it compete with stoneware and more prevalent chain imports such as 16-piece imported ironstone sets, which some discounters are advertising as low as $9.

Wait and See

Other housewares suppliers, such as Mirro/Foley, held back planned price hikes not long ago because of the soft market for cookware. In fact, the general business atmosphere for discounters in the category was favorable, with plentiful ad dollars and vendors eager to make deals.

Last year was the first time in two years discounters aggressively added sku's to their assortments—mostly higher-ticket, higher-margin microwave cookware, closet storage, vacuumware and food storage.

While these selective trade-up areas will translate into more sales dollars for retailers this year, the feverish promotion trend is cutting into discounters' profits.

Following the intense promotional fervor of last Christmas, margin erosion lasted into the

(Continued on page 160)

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
	MICROWARE			
1	Anchor PM469/TI Bacon Rack	31,676	5.40	171,050.40
2	Anchor PM486/TI Divided Plate	27,154	5.40	146,631.60
3	Anchor PM481/TI Utility Pan	18,446	5.40	99,608.40
4	Anchor PA600/112 Turntable	3,182	28.22	89,796.04
5	Anchor PM400/126 Popcorn Popper	8,635	10.10	87,213.50
6	Anchor PM447/TI Muffin Pan	15,672	5.40	84,628.80
7	Anchor PM444/TI Bake Sheet	14,620	5.40	78,948.00
8	Anchor PM446/TI Red Bacon Rack	11,574	5.40	62,499.60
9	Anchor PM480/TI 4-qt Cooker	5,695	10.10	57,519.50
10	Anchor PM410/TI Roast Rack	9,114	5.40	49,215.60
11	Corning MW-2 Microwave Brown Grill	2,337	19.40	45,337.80
12	Anchor PM490/TI Loaf Pan	8,128	5.40	43,891.20
13	Anchor PM400/131 Main Dish	9,087	4.70	42,708.90
14	Anchor PM459/TI Baking Ring	7,650	5.40	41,310.00
15	Corning MW-A10 Brown Skillet	2,096	19.40	40,662.40
$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
	COOKWARE			
1	Mirro 1487-34 7-pc Cookware	4,431	21.53	95,399.43
2	Regal W3270 10-in Gourmet Pan	9,570	5.23	50,051.10
3	Regal W3271 12-in Gourmet Pan	5,570	7.86	43,780.20
4	Mirro W1788-34 7-pc Cook Set	1,254	34.23	42,924.42
5	Foley 397-79 7-pc Cook Set	1,477	27.30	40,322.10
6	Regal W750/750HB 7-pc Cook Set	1,352	27.92	37,747.84
7	Mirro W0786-34 10-in Fry Pan	4,800	7.07	33,936.00
8	Mirro W0788-34 12-in Fry Pan	3,179	10.05	31,948.95
9	General Housewares 0707 21-qt Cov Canner	2,141	14.14	30,273.74
10	Regal W3269 8½ Gourmet Pan	8,267	3.48	28,769.16
11	Mirro M-1588-32 8-pc Cook Set	435	63.22	27,500.70
12	Mirro W0785-34 8-in Fry Pan	4,889	5.53	27,036.17
13	Mirro M0932-36 Teakettle Choc	4,973	5.11	25,412.03
14	STNC PC500-8 Burner Bib GE	18,966	1.33	25,224.78
15	Foley 297-93 7-pc SilverStone Cook Set	732	33.46	24,492.72

(Continued on page 160)

Using colorful kitchen textiles as focal points, H. J. Wilson, Macon, Ga., builds impulse sales by merchandising them close to dinnerware sets and multipurpose oven-to-serving bowls. *(DSN photo)*

Heck's Opens 5th Tennessee Store

NITRO, W. Va. — Heck's has opened a 40,000-sq.-ft. unit in Dayton, Tenn., bringing the total number of stores in operation to 126.

The new store, the first Heck's opened in 1985, is located in a multistore strip mall at the intersection of U.S. Highway 27 and East Iowa Street.

Watch your profits grow with the Olympus Bonus Profit Building Program

Add as much as 4% extra profit to the full line of Olympus OM System and lens-shutter 35mm cameras in your cumulative purchases from January 1, 1985 through June 30, 1985.

Two purchase categories earn extra profits for you:

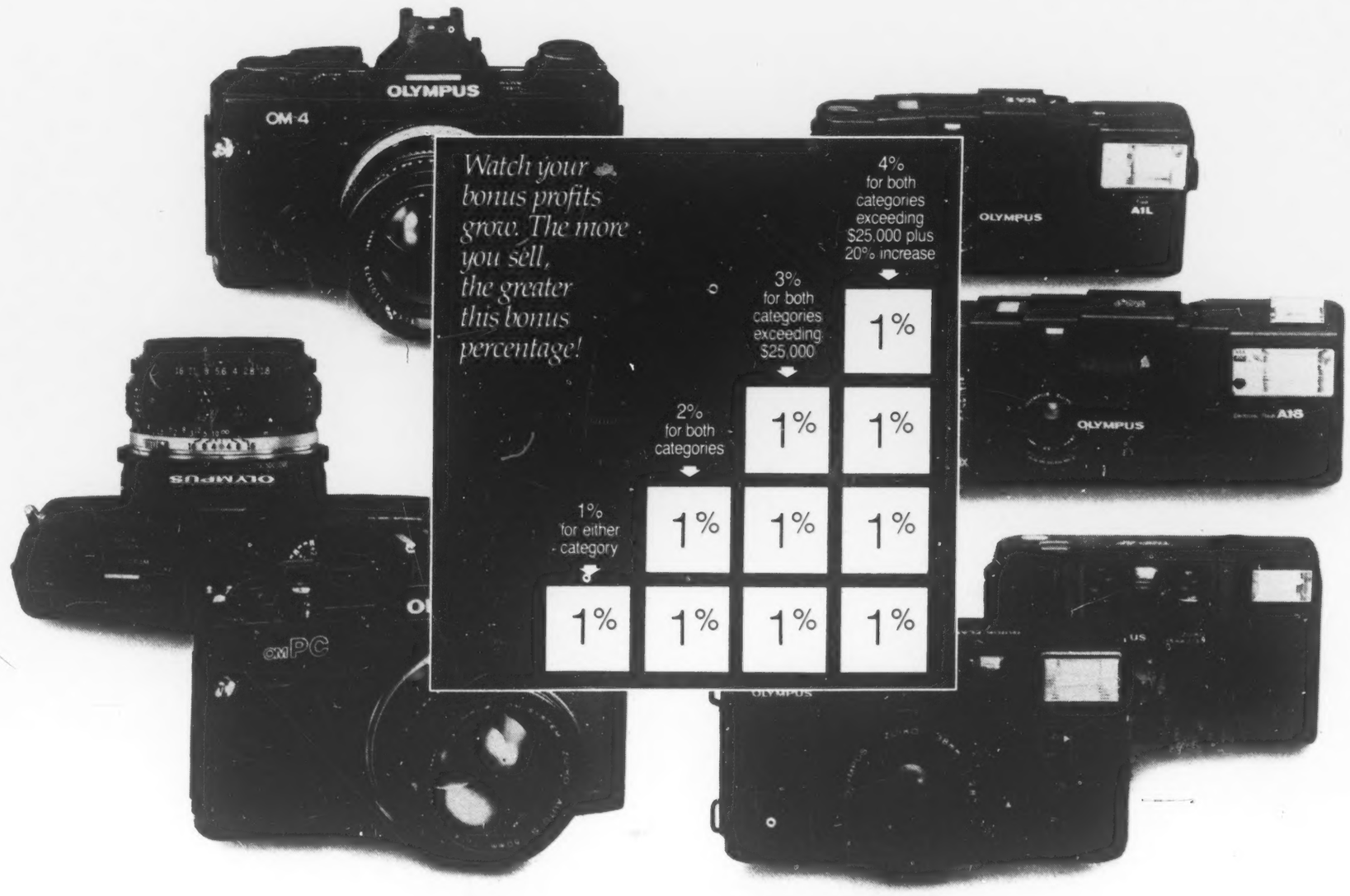
CATEGORY A
OM cameras with or without prime lenses 36 UNITS OR MORE
between January 1 and June 30, 1985

CATEGORY B
Lens-shutter cameras, XA series or auto focus 48 UNITS OR MORE
between January 1 and June 30, 1985

- Achieve either category for a 1% PROFIT BUILDER BONUS
- Achieve both categories for a 2% PROFIT BUILDER BONUS
- Achieve both categories and a $25,000 purchase level for a 3% PROFIT BUILDER BONUS
- Achieve both categories, a $25,000 purchase level and reach a 20% greater purchase level than during the period of January 1 through June 30, 1984 for a 4% PROFIT BUILDER BONUS

No matter how small or large your buying capacity, the Olympus Bonus Profit Building Program has a program designed especially for you. And this plus-profit opportunity applies to all current products as well as any new ones announced and shipped through June 30, 1985.

Olympus...a major brand name with a bottom-line profit incentive. Now that's a bonus! Your Olympus Sales Representative will help you cash in on this profitable new bonus program. Call, toll free, 24 hours a day: 800-631-7777. In NJ 800-522-4159. Today!


OLYMPUS
OM-4
Watch your bonus profits grow. The more you sell, the greater this bonus percentage!
4% for both categories exceeding $25,000 plus 20% increase
3% for both categories exceeding $25,000
2% for both categories
1% for either category
1%

OLYMPUS®

Olympus Corporation Consumer Products Group Crossways Park Woodbury, NY 11797

HOUSEWARES

Trade-up

(Continued from page 157)

spring and promises to be with us into midyear.

In glassware, for instance, discounters are pricing 16- and 24-piece sets at $10 and $15, partly the effect of J. G. Durand and Crisa imports creating a glut of goods in the marketplace. Libbey and Anchor Hocking are responding with stable prices and new merchandising programs to stem further encroachment by the French and Mexican suppliers. It's a battle we expect to rage for the rest of the year.

Discounters' overall housewares sales grew more than 10% in 1984, but we project that as the upper limit gain this year. Incessant trade-ups won't contribute to volume gains in 1985.

In our trading area, however, which includes the Northeast, Southeast, mid-Atlantic and North Central States, housewares sales are steady—except in some heavily industrialized pockets where unemployment is high.

Rising Trend

Microwave cookware continues to be one of the fastest-growing categories, up 20% in our markets at the start of 1985. That's because our markets are catching up to the West Coast in microwave oven usage.

However, discounters who've already built up their assortments report that manufacturers are overproliferating the category. They also question the wisdom of SilverStone-lined microware that adds $2 to the retail price of an item.

In our market area the hottest microware manufacturer is Anchor Hocking, controlling 13 of the top 15 category ranks in 1984; Corning holds the other two spots. The Rubbermaid Cookables and Heatables line—a Johnny-come-lately to the category—has not yet experienced significant sales.

On the positive side, the popularity of microwave ovens means discount stores will be selling more single serve dishes and small accessory pieces.

Another exciting area for discounters is closet and storage products, with many merchants devoting more space and inventory dollars to the category. They are also placing it in better locations, adjacent to bath and domestics department in many stores, and some have developed mini-shop concepts.

While some chains are trading up to $80 to $120 closet organizers, we also observed more price promoting in the closet category, particularly in the colored plastic hanger area.

However, looking ahead we see shoppers trading up from these 10 for $1 hanger promotions to better grade wooden ones, selling for $1.49 for 2-pack skirts and suit hangers. We can, therefore, expect manufacturers to produce better quality hangers.

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
	PYREX			
1	2330 Bake Dish/Basket	2,240	13.57	30,396.80
2	233 Utility Dish 3 qt	4,938	5.21	25,726.98
3	300-95 3-pc Bowl clear	2,245	10.68	23,976.60
4	300-61 Bowl Set frost	2,214	10.68	23,645.52
5	2320-F 2-qt Dish/Basket	2,435	9.10	22,158.50
6	6230-F Casserole/Basket	2,659	8.13	21,617.67
7	213 Loaf Dish	7,092	2.70	19,148.40
8	6840 Casserole/Basket	1,406	13.58	19,093.48
9	234 4-qt Baking Dish	2,766	6.86	18,974.76
10	300-80 Shen Bowl Set	1,728	10.68	18,455.04
11	463-D 6-oz Custard	6,497	2.84	18,451.48
12	532 32-oz Measuring Cup	4,958	3.58	17,749.64
13	516 16-oz Measuring Cup	6,889	2.47	17,015.83
14	508 8-oz Measuring Cup	8,400	1.98	16,632.00
15	209 Pie Plate 9-in	7,152	2.24	16,020.48
	RUBBERMAID			
1	2864 Swing Top Chocolate	5,257	7.45	39,164.65
2	2864 Swing Top Almond	4,550	7.45	33,897.50
3	2892 20-gal Garbage Can	3,600	8.40	30,240.00
4	0450 Bath Mat Light Blue	10,121	2.91	29,452.11
5	8765 2-pack Ice Cub Trays	21,483	1.37	29,431.71
6	2065-19 Laundry Basket Almond	7,992	3.50	27,972.00
7	2965-19 Laundry Basket Chocolate	7,881	3.50	27,583.50
8	0450 Bath Mat White	9,192	2.91	26,748.72
9	0450 Bath Mat Chocolate	7,989	2.91	23,247.99
10	0450 Bath Mat Almond	7,404	2.91	21,545.64
11	2843 Chocolate Hooded Can	1,500	12.77	19,155.00
12	2858 Chocolate Step-On Can	1,618	11.51	18,623.18
13	2963 Chocolate 11-qt Pail	3,667	5.07	18,591.69
14	2864 Yellow Swing Top	2,369	7.45	17,649.05
15	1291 Chocolate Sink Mat	7,607	2.24	17,039.68
	CORNING			
1	A338 Trio Set Spice	2,502	20.66	51,691.32
2	A33 Trio Set Cornflower	2,872	17.81	51,150.32
3	V-20 1.5-qt Double Boiler	2,341	20.88	48,880.08
4	V-1 Covered Saucepan 1 qt	4,156	11.48	47,710.88
5	V-2.5 Covered Pan 2.5 qt	2,400	16.74	40,176.00
6	A-500-8 Chef Master Spice	688	58.14	40,000.32
7	V-360 6-pc Covered Set	961	38.95	37,430.95
8	A-500 Chef Master Corn	676	54.00	36,504.00
9	V-5 Covered Saucepan 5-qt	1,232	19.10	23,531.20
10	V-1.5 Covered Pan 1.5 qt	1,751	13.39	24,445.89
11	A337 Trio Set Wildflower	994	20.66	20,536.04
12	A-5-8 5-qt Saucepan Spice	874	18.32	16,011.68
13	A-3-8 Covered Saucepan 3	1,017	15.69	15,956.73
14	F-2 Covered Oval Casserole 2	966	16.28	15,762.48
15	A-1 ½-8 Covered Dish Spice	1,385	11.34	15,705.90

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
	TABLETOP			
1	Corelle 16-23 16-pc M Blue Set	8,381	23.21	194,523.01
2	Corelle 16-4 16-pc Gold Set	7,973	23.21	185,053.33
3	Corelle 16-1 16-pc Green Set	7,429	23.21	172,427.09
4	Corelle 16-5 16-pc Blue Set	4,221	23.21	97,969.41
5	Corelle 16-N 16-pc White Set	4,084	23.21	94,789.64
6	Corelle 35-23 35-pc Light Blue Set	1,216	55.99	68,083.84
7	Corelle 16-6 16-pc Brown Set	2,766	23.21	64,198.86
8	Corelle 35-4 35-pc Gold Set	1,101	55.99	61,644.99
9	Corelle 16-24 16-pc Burgundy Set	2,604	23.21	60,438.84
10	Corelle 35-1 35-pc Green Set	967	55.99	54,142.33
11	Corelle 16-29 16-pc Bouquet Set	1,994	23.21	46,280.74
12	Corelle 35, 35-pc White Set	479	55.99	26,819.21
13	Corelle 20-95 20-pc Colonial Set	844	30.77	25,969.88
14	Corelle 35-6 35-pc Brown Set	442	55.99	24,747.58
15	Corning 106-4 Small Gold Plate	2,837	8.61	24,426.57
	GADGETS			
1	Swin 407/1 Port Open Asst	8,718	4.43	38,620.74
2	Ahsw 1574 4-pack Paring Knife	20,280	1.41	28,594.80
3	Brom 119 4-Sided Grater	16,914	1.47	24,863.58
4	Rhod 29006 Marktime Timer	3,182	6.38	20,301.16
5	Ekco 30761 Sm Turner Nyl	11,671	1.53	17,856.63
6	Ekco 30401 Pan Turner Nyl	11,342	1.53	17,353.26
7	Arro 13 Measuring Cup Set	13,669	1.20	16,402.80
8	Trav 6666 Sunbeams	14,003	1.17	16,383.51
9	Ekco 08652 Can Opener	11,225	1.44	16,164.00
10	Ahsw 377 Adj Cheese Slicer	12,909	1.13	14,587.17
11	Ekco 30081 Basting Spoon	11,041	1.17	12,917.97
12	Ekco 00050 Peeler	9,359	1.25	11,698.75
13	Ekco 30221 Slotted Spoon	9,949	1.17	11,640.33
14	Ekco 30341 Deep Ladle Black	7,682	1.44	11,062.08
15	Ahsw 1554 Steak Knives	5,917	1.86	11,005.62
	BATH SHOP			
1	Mayfair 66TT White Toilet Seat	8,864	7.77	68,873.28
2	Selfix 443-94 Portable Shower	4,473	8.27	36,991.71
3	Mayfair 11D White Toilet Seat	2,221	12.59	27,962.39
4	Kellogg 215 Tamp Bowl Brush	18,934	1.09	20,638.06
5	Selfix C441-94 Shampoo Spray	11,556	1.75	20,223.00
6	Selfix 2208-94 Tissue Holder	14,865	1.25	18,331.25
7	Mayfair 13D Blue Toilet Seat	1,421	12.59	17,890.39
8	Mayfair 44D White Toilet Seat	1,936	9.24	17,888.64
9	Nautilus N8773 Essex Oak Cabinet	392	38.24	14,990.08
10	Counselor 410N-90 White Wicker Scale	1,004	14.65	14,708.60
11	Ekco 38170 24-in Towel Bar	5,201	2.42	12,586.42
12	Mayfair 13D Brown Toilet Seat	986	12.59	12,413.74
13	Nautilus N323LW Ventura Cabinet	292	42.05	12,278.60
14	Counselor 86N-10 White Square Scale	1,225	10.01	12,262.25
15	Mayfair 13D Gold Toilet Seat	972	12.59	12,237.48

Source: Schreiber Co., Lititz, Pa., for the full calendar year 1984, covering 625 stores, including 545 discount stores in the Northeast, Southeast, mid-Atlantic and North Central regions. Average retail prices reflect typical price points for discount chains.

Artificial Intelligence to Perform Most Buyer Functions

(Continued from page 62)

store? No, stressed Stotesbery, who pegged it as the probable first function Gold Circle will shift to computers; they'll review on-hand inventory of each item in each store, and automatically replenish to conform with merchant-set criteria such as desired selection per store, or quantity on hand vs. desired weeks of supply.

Price change authorizations would be next, once the chain creates standards that would apply in most cases. "If a computer can handle 80% of functions, with the buyer responding only to exceptions, that's a significant reduction in workload," Stotesbery said.

However, chains may stand to gain their greatest returns by using computers to design store layouts that optimize sales, gross margin and ROI, said Stotesbery.

Gold Circle is currently developing just such a store modeling system for use in 1986, he said. It will determine department sizes and adjacencies, and proximity to the race track and front-end based largely on local market demographics and competition.

"This approach to store development challenges some basic discounting premises, such as planogramming and cookie cutter prototypes," said Stotesbery.

Only on Some Occasions

He noted that a market of young families might have a large children's wear department, or a college town more consumer electronics and KD furniture. "We'll also know with mathematical certainty that shoes perform better if adjacent to apparel or soft home is more productive when next to housewares."

He envisions three or four model floor plans for the chain, with varied department sizes and locations. He added that each store could be assorted differently within these formats.

"We're still evaluating whether that's a sound strategy, but it appears to be the way we're going," said Stotesbery. "In health & beauty aids, one store could have 10 deodorant facings, and another three. In housewares, we could have four layouts but 50 different assortments. We'll adjust inventory depth and facings according to store strengths and weaknesses."

He forecast that next year Gold Circle might alter product facings as often as once a month, "faster than the seasonal reviews most discounters can make today because we'll know about the stronger and poorer performers more quickly."

Richway's Bodker to Put More Fashion in Hard Lines

(Continued from page 122)

the same crashing pace as apparel, but buyers of several categories like toys, stationery, fashion housewares and consumer electronics, where hot trends are more likely to surface, are now being left with more open-to-buy than previously. However, buying strategy does not involve a change in inventory dollars.

Several categories pegged for closer watch include small electrics used for travel, VCR cases in colorful plastics and wood, and brass and oak accessories.

Aside from rethinking planograms, Bodker has adjusted some adjacencies to tempt the majority of shoppers—women—to shop hard lines, too.

The female shopper today, he explained, "no longer shops recreationally. You have to make shopping easy and fast. I'm trying to make adjacencies related to how she's going to shop."

To that end, the chain has assembled an assortment of emergency automotive items like jumper cables and tire pressure gauges on an endcap facing the main aisle with signing that asks, "Are You Ready For Traveling?" He noted women are more likely than men to need that kind of reminder, and would probably not head into the automotive department to look for these items.

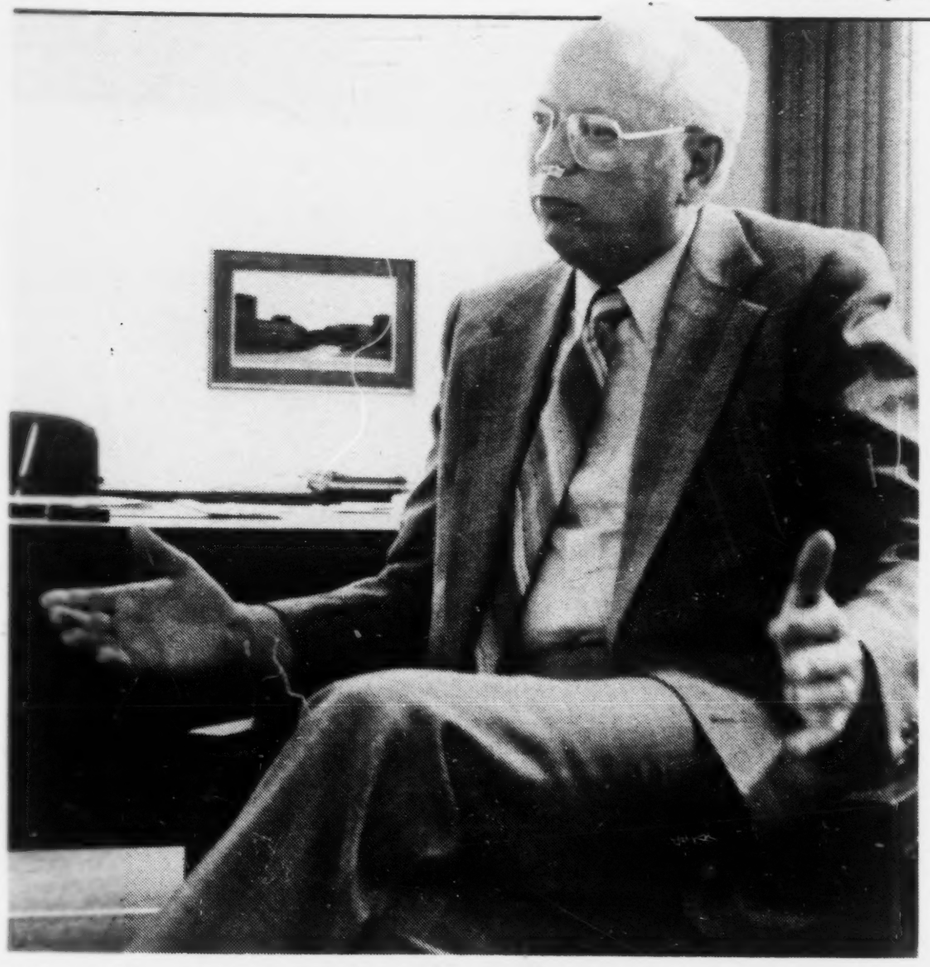
Also, he has created a separate area in housewares to merchandise picnic items like plastic flatware, cups and plates in fashion colors, while party goods and basic white plates, plastics and cold cups remain in the stationery department.

C 5150-3

Discount Store News®

THE NEWSPAPER OF DISCOUNT RETAILING

VOL. 24, NO. 12 | Published Biweekly, Every Other Monday, Monthly in December, by Lebhar-Friedman Inc. | $2 per copy | JUNE 10, 1985



"I'm telling you why we feel we can deal with high-ticket merchandise and come out with a profit."
—Norman G. Milley, president, K mart Stores group

K mart Guided by Milley To a Higher-Margin Era

TROY, Mich. — Norman G. Milley, drawing on his four decades of retailing experience, is leading K mart into a new merchandising era.

It features a K mart selling higher-margin but admittedly much slower-turning goods as the profit sweetener to the discounter's continuing tonnage basics business.

The chain's retailing evolution came about as Milley, president of the K mart Stores group, and other executives put the company's "think differently" dictum into practical action.

The bottom line results: a K mart that uses advanced retailing technology and new management thinking to respond to changes under way in the marketplace to become a more efficient, profitable and consumer-oriented merchant.

To carry this out, a major portion of K mart's five-year, $2 billion capital budget is targeted to the implementation of the latest state-of-the-art retailing technology—laser checkout scanners, computer tracking of sales and automatic replenishment of merchandise.

"We'll look at everything coming down the road that makes sense to us to be involved with and we'll use it," Milley told *DSN* during a recent visit to company headquarters here.

The spur to K mart's evolving merchandising was surveys that told executives 52% of America's consumers already shop the discounter. But these studies also showed that shoppers tended to desert the chain to buy higher-priced and more fashionable merchandise in conventional department stores and specialty shops.

The discounter doesn't have any doubt its customers will be just as anxious to buy a big-ticket item like a $149 food processor as a $1 peeler.

"Why not?" Milley asked. "Why wouldn't she be interested in saving money on a big-ticket item if she is in the market for one?"

This belief hasn't dampened K mart's strong commitment to its traditional low-priced, saving-place image. The discounter will still feature small appliances under $20 in its midway, "but if the customer wants a traded-up item like a good European cofee grinder, she'll find it in the Kitchen Korner," Milley said.

While the remodeled and upscale Kitchen Korner still sells "gigantic" quantities of basics like glassware, Milley noted:

"The things we're getting the greatest response to these days are the novelty and specialty goods that probably won't be tonnage items. But, they produce a very nice gross profit margin, and reasonable turnover."

A simple example illustrated the profit potential:

"Inventory costs are about

(Continued on page 74)

Top CE Chains on a Roll; Swell Net, Biz, Stores, Turf

Nationwide DSN Report

Rushing to stake claim to lucrative markets, opening larger and larger stores, and reaping generous sales gains from the video boom, the top specialty consumer electronics discounters are recording exceptional double-digit sales and profit gains.

Not coincidently, leading retail analysts have predicted that consumer electronics will be the quickest growing retail merchandise category through the end of the decade.

While most chain executives likewise optimistically insist their own firms' performances should continue indefinitely, they also admit that current expansion is concentrating the major chains in a few markets, especially in Texas and California, posing the specter of saturation.

In addition, a rash of initial public offerings by firms like Highland Superstores, Crazy Eddie, Luskin's and, less recently, The Federated Group, promises to put additional pressure on the group to continue the expansion pace in order to maintain Wall Street backing.

Even if there are clouds, however, current circumstances appear to favor the segment leaders:

- The top-volume CE discounter, Circuit City, grew 46% in revenue to $519 million and 67% in net profit to $20.2 million for the fiscal year ended Feb. 28.
- Highland Superstores reported, in a pro forma statement, a 41% gain in sales to $359 million and a 79% gain in profit to $14.8 million for the year ended Jan. 31.
- The Federated Group recorded a 66% gain in sales to $230 million and a 91% leap in profit to $11.7 million for its fiscal year ended Feb. 28.
- Crazy Eddie said sales

(Continued on page 74)

Leading Electronics Discounters

Chain (Hq. State)	Volume (Millions) Last Competed Fiscal Year	Number of Stores 1/84	1/85	1/86	Avg. Store Size (Sq. Ft. Gross)
Circuit City (Va.)	$519	98	93	90[A]	3,000-40,000[B]
Highland (Mich.)	358	25	32	42	20,200
Silo (Pa.)	330*	72	97	111	12,000-70,000[C]
The Federated Group (Calif.)	230	20	43	60	23,100
Pacific Stereo (Calif.)	200	82	85	89	4,600
Crazy Eddie (N.Y.)	167	12	14	22	7,100
Fretter (Mich.)	160	23	29	36	14,000
Newmark & Lewis (N.Y.)	125	23	25	27	10,000
Luskin's (Md.)	90	23	29	40	8,600
CMC Stereo	79	57	57	57	3,500

[A] *Declining number of Circuit City locations reflects net effect of closing 39 leased departments in Zodys stores in Los Angeles.*
[B] *Stores range from 3,000-sq.-ft. leased locations to 40,000-sq.-ft. superstores with most units having average range of 4,000-7,000 sq. ft.*
[C] *Silo believes it will continue to open and operate three distinct store prototypes, depending on local market conditions: 12,000-sq.-ft. conventional units, 25,000-sq.-ft. warehouse showrooms, and 50,000-70,000-sq.-ft. concept stores.*
*DSN estimate
Source: DSN research

Family in Split, Glosser Board May Get Two Buyout Proposals

JOHNSTOWN, Pa. — A split between family members could put two separate buyout proposals before the board of directors of Glosser Bros., parent of Gee Bee discount stores, by midyear.

One proposal, penned by chairman Leonard Black and president Alvin Glosser and three other key executives of the company, has already been presented to the board.

A second offer, authored by William Glosser, Alvin's brother, was due out at presstime.

The senior management team bid proposes to make the company private with a $20 a share buyout offer. Under the terms of the bid, first presented to the board in late January, new management would hold 51% of the stock in the new company; Bear, Stearns, which will underwrite the offer, will hold the remaining 49%.

Currently Glosser family members, including Black, who is married to a cousin of Alvin and William, own 60% of the 2.4 million shares outstanding in the company, whose sales at the end of the fiscal year totaled $280 million.

To date, those members of the family committed to the top management offer have pledged 27% of their shares to Bear, Stearns, which would hold three seats on the 10-person board formed after the buyout.

As part of the deal, Alvin Glosser, 62, and his cousin, Paul Glosser, vp and head of the company's supermarket division, have agreed to stay on for five years if the plan is accepted. Leonard Black is due to retire in one year.

William Glosser, 56, secretary of the AGE corporation

(Continued on page 66A)

IN BRIEF

HECK'S SHAREHOLDERS HAVE O.K.'d A SERIES OF "poison pill" measures aimed at discouraging unwanted takeover attempts. Included is a provision to block "greenmail" profiteering.

- **FRED MEYER HAS BEGUN CONSTRUCTION ON NEW stores scheduled to open next year in Newport and Portland, Ore. The company is opening three units this year, in Boise and Nampa, Idaho, and Anchorage, Alaska.**
- **LECHMERE WILL MOVE ITS HARD GOODS DISCOUNT concept into Atlanta next year with four stores and a distribution center, moving outside its New England base for the first time.**

New Layout at Best Products Forces Shoppers to Walk The Whole Store.
—See pp. 8A-11

Consumer Electronics Section

Buyers arrived at the Summer CES, looking for ways to pep up a field which, except for the hot video segment, has stabilized. (Section, pp. 19-28, 43-59)

Licensing Supplement

Licensing still has some elements of a guessing game, as makers extend characters' life spans. (Supplement, pp. 31-40)

Index

At the Source	57-59
Catalog Showroom News	8A-11
Classified	71-73
Consumer Electronics	19-28, 43-59
Editorial Page	6
Executive Changes	15
Licensing	31-40
Manufacturer News	64
Stock Update	4

CONSUMER ELECTRONICS SHOW

CE Chains Boosted TV-Ad Outlay Last Year

Nationwide DSN Report

TV ad spending by the top consumer electronics discount chains is continuing to rise as chains achieve the market penetration they need to make the medium cost-effective.

Leading the list of last year's spenders, according to figures put together by the Television Bureau of Advertising, was quick-growing Highland Appliance Stores with measured TV spending pegged at just over $10 million, a 14% increase over 1983.

According to Highland executives, about $23 million (6.4% of revenues) went to ad spending for the fiscal year ended Jan. 31.

Highland concentrates on humorous institutional ads building the company image and stressing name recognition as it pushes into new market areas.

Highland just made its initial public offering, and with the proceeds plans to fund campaigns into the Chicago and Houston markets, backing them with barrages of television and radio commercials, in addition to eight- to 24-page tabloid circulars and run-of-press ads.

Another Perspective

Like other CE executives, Highland officials still see their main opportunities outside of TV, in print. In fact, as a percentage of total advertising, the chain's TV spending actually fell, slipping from 52% in 1983 to 43% in 1984.

While no other CE retailer is close to Highland in terms of total TV spending, according to the TvB report, a couple of others also added significant numbers of dollars to earlier outlays:

Silo (including Downings) jumped from $1.6 million in TV spending in 1983 to $3 million in 1984. Circuit City, promising guaranteed low prices (East Coast operations only), zoomed from $1.6 million in 1983 to about $2.5 million in '84.

The No. 2 total TV ad spender among the chains, The Federated Group, is, like Highland, on a quick expansion spree.

Federated tripled its TV ad spending in 1983, according to TvB, and then added another 14% last year, spending a 1984 total of $5.1 million on video spots. Units more than doubled from 20 to 43 during the year.

This year Federated plans 17 new stores, said Merrill Lyons, vp finance, with additions in existing and new markets in Texas and California.

The company aims to continue heavy use of its "crazy" Federated character in TV ads. Lyons said Federated strategy, wherever possible, is to simply outspend the competition for both TV time and newspaper space.

Several of the field's biggest TV spenders held the purse strings last year, consolidating big budget boosts made the year before.

Pacific Stereo, for instance, which was on top of last year's TvB list, having kicked up TV spending more than seven times from 1982 to 1983, spent only about $100,000 more last year than it did the year before, a 3% gain to $4.4 million.

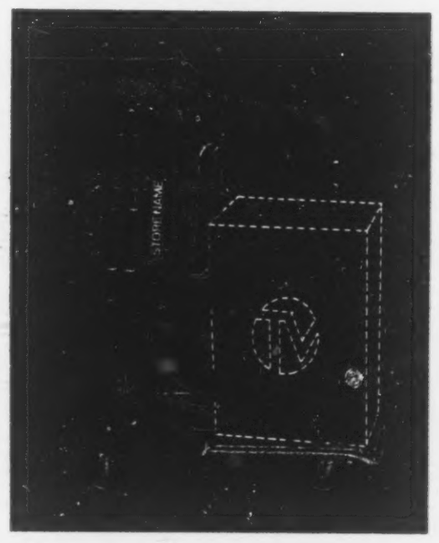
Specialty Discounters: TV Advertising

Rank 1984	Chain	Outlay In 1983	Outlay In 1984	% Change
1	Highland Appliance Stores (Michigan)	$8,778,000	$10,043,800	+14
2	Federated Group (California)	4,480,200	5,112,000	+14
3	Pacific Stereo (California)	4,272,500	4,385,800	+ 3
4	Silo (Pennsylvania)	1,654,400	3,061,800	+85
5	Fretter (Michigan)	2,909,300	2,773,100	− 5
6	Newmark & Lewis (New York)	2,116,700	2,520,500	+19
7	Circuit City (Virginia)[a]	1,640,500	2,493,700	+52
8	Crazy Eddie (New York)	2,600,700	2,004,900	−23
9	Mad Jack's (California)	1,388,200	1,388,100	0
10	Long's (Alabama)	2,018,700	1,319,200	−35

[a]*Data reflect Ward Co.'s East Coast operations under the Circuit City name only.*
Source: Television Bureau of Advertising from Broadcast Advertisers Reports data

functional art in motion

A superb blend of distinctive elegance and traditional Unarco craftsmanship with features you'll appreciate. ■ Like rugged urethane wheels with the softness of rubber: they'll stand up better under today's heavier payloads. ■ A wide, spacious basket designed with aerodynamics in mind: strategically placed openings make cleaning easy, and help prevent the wind from blowing carts left in parking lots. ■ There's even a stout bottom tray that nests snugly and converts the Classic Series cart for instant use as a stock truck . . . to help sell bulk items. And Unarco's inventiveness provides another first . . . a retractable garment hook, to keep your customers in fashion while they roll with style. ■ To be among the trend setters, contact Unarco today. Because when Unarco rolls . . . business moves.



Basket raises easily, for stock truck conversion

the classic series from Unarco

Unarco Commercial Products

A Division of Unarco Industries, Inc. ■ a UNR Company
P.O. Box 24088 ■ Oklahoma City, OK 73124 ■ 405/232-2431

Milley Guides K mart to a Higher-Margin Era

(Continued from page 1)

1% a month. So let's say I've got a 50% gross item, just for easy calculation. I paid $75 for it. If it lays up there for three months, I've got 3% cost in that; so it cost me $2.10 to put the item on the shelf that I'm going to make $75 on when I sell it. You can bring your turnover down and still make a lot of money."

He added: "I'm not saying this is a guiding philosophy. I'm telling you why we feel we can deal with high-ticket merchandise and come out with a profit.

"As long as I can buy the item in the right quantity to support its turnover, I'm going to come out ahead. But if a manager buys six pieces, piles them in his stockroom and then takes nine months and only sells three, it's not going to help us."

The key to controlling inventory and turnover is technology. It has made possible K mart's adding about 15% more goods, measured in terms of retail dollars, to a store's inventory—mainly higher-margin fashion lines and traded-up hard goods.

The advanced technology K mart is installing in its stores will have a big payoff, Milley said.

"I believe we will be able to save in the neighborhood of $200,000 to $300,000 in reduced inventory in each store and still maintain our rate of sales—perhaps get more sales because you should never be out of stock."

The impact on K mart's parent K mart Corp. will be even greater.

"The interest cost savings fall to the bottom line," he said. "It could produce sufficient cash to go out and make another acquisition that could bring back a 25% return on investment—that's what you are looking at.

"How else could I free up $500 million-$600 million worth of cash to take into the marketplace and find something else that I want to invest in that's going to give me back the return that we want?" he asked rhetorically.

The discount store operation Milley envisions is to be the profit powerhouse for the revitalization of parent K mart Corp. that Bernard K. Fauber, its chairman and chief executive officer, has been engineering since late 1980.

Fauber selected Milley to be the hands-on architect of the discounter's new merchandising drive. Milley first was vice president of sales and general merchandise manager in 1981, then executive vp of merchandising and subsidiaries two years later and finally earlier this year president of the K mart Stores group, a newly created post that was part of Fauber's restructuring of the entire K mart Corp.

All the discounter's top executives now answer directly to Milley, including the presidents of K mart Apparel, K mart Enterprises (the sporting goods and auto merchandising subsidiaries) and K mart Canada.

The K mart Stores group that the 61-year-old Milley heads is the equivalent of a major American corporation in its own right.

Its size, in turn, both dictates the need to use the latest technology and also affects the rate at which this equipment can be added to its 2,000-plus stores.

K mart, which first tested laser checkout scanners in two stores, last fall, will have this technology in 150 by the end of the year and subsequently phase it into other units at the rate of about 500 stores a year.

The scanner technology this year will be used for the test implementation of an automatic replenishment system in 25 Detroit area stores by the fall.

Putting all K marts on this system "will be a major project because 75,000 sku's have to be tracked," Milley noted. But, once such a chainwide program "is operating and you get the bugs worked out, you will have the ability to reduce inventory levels, yet keep product coming back to the proper rate to support sales."

Technology is only one of the marketplace factors that has spurred K mart's merchandising evolution.

The changing buying habits of shoppers are another—specifically the fact that price alone isn't the motivating factor behind customer purchases.

"We've made the decision not to carry cheap clothing just for the sake of carrying low-priced clothes. We're not going to lower our quality standard to something a customer wouldn't be happy with."

Children's apparel denotes the interconnection between such changes in the marketplace as new buying patterns and the profile of the American family today that drives K mart in its merchandising.

"I think, to a certain degree, people are willing to spend money on children's clothes that they wouldn't spend on themselves. I think that's happening more and more with one-child families. Today, women are having their babies at an older age and women who are working want to spend more on their children."

The merchandising and operations moves under way at K mart, along with its refined consumer awareness, will, Milley said, "carry us well into the 1990's."

Top CE Chains Hot

(Continued from page 1)

gained 24.4% to $167 million and profits 116% to $6.4 million for its fiscal year ended March 3.

- And so on. Sales at Silo, a subsidiary of Cyclops Specialty Steel, gained an estimated 20% last year; at Pacific Stereo they rose 18%; at Fretter they were up 33%; at Newmark & Lewis, 25%; at Luskin's, 25%, and at CMC Stereo, 11%.

Most see similar gains continuing. Circuit City president Rick Sharp predicted a jump in revenue for fiscal 1986 to about three-quarters of a billion dollars. (Slower same-store growth and expansion costs might keep a tighter lid on profit gains, however, he noted.)

Driving the segment's rapid growth have been several factors. One of the most important is the concentration by Circuit City, Silo, Highland and Federated on superstores of 20,000 gross square feet and more as favored expansion vehicles.

A store like the 50,000-sq.-ft. unit Silo plans to open in Baton Rouge later this year is expected to produce annual sales "in excess of $20 million," said Gerald Strossler, senior vp/finance. Strossler compared this to the $3 million-$6 million annual volume expected from the chain's "conventional" 12,000-sq.-ft. stores.

Federated officials have said they expect some of their stores in the 20,000- to 40,000-sq.-ft. range to produce at least that volume. Others have similar stories.

The CE discounters have also benefited from the explosion in video (VCRs, camcorders, accessories) sales that resulted from falling VCR prices.

Video sales gains for the group ranged from about 13% at Luskin's to an average 20%-25% for most others.

Andres: Battle to Retain Import Access

(Continued from page 2)

berger, Hills Department Stores president, that including $4.4 billion in textile and apparel quota costs and $19 billion in tariffs, "the total 'hidden tax' on imported textile and apparel [came] to more than $23 billion last year."

"The price tag for protectionism is high, and it is getting higher all the time," he declared.

Andres cautioned against misinterpreting RITAC supporters' efforts as indicating a preference for imported goods.

"Nothing could be further from the truth," he said, "and our track record of buying the vast majority of our merchandise from American sources shows it."

But, he observed, "supporting [domestic resources'] call for additional protection, in my judgment, is the least constructive way we can be of assistance."

He said this position dovetailed with that expressed by Wal-Mart founder Sam Walton, who in kicking off his "Buy America!" campaign declared, "our goal is to buy everything possible that is competitive in quality and price from our American manufacturers."

Andres said he could sum up the reasons why retailers should join him and the RITAC lobbying effort to forestall and roll back the barriers to free trade in five major points.

In addition to the high cost of hidden tariff charges, he cited the critical importance of imports to a high standard of living here; restrictions' inefficiency in maintaining employment levels; the historic association of free trade and general economic health in American history, and retailers' intrinsic need for access to merchandise.

Imports have helped bring down inflation, Andres said, and freed up discretionary income fueling retail sales. Clogging their flow to "save jobs" will do the reverse, he asserted, citing a study that showed it cost our economy $77,000 to save an $8,000-a-year job in the footwear industry.

Trade restrictions in America have always been considered counterproductive, he charged, recalling the worsening of the Great Depression after enactment of the Smoot-Hawley tariffs of the 1930's.

Ashe Line Is a Smash

(Continued from page 3)

women's magazine; *National Black Monitor* and *Dawn*.

K mart Apparel president Joseph Antonini said K mart isn't reaching for a different shopper since the price points on the goods fall between $5 and $20. But he does expect the ads in minority papers will attract some people who do not normally buy apparel at K mart.

The BT&SF project started about 18 months ago when Hamilton Projects approached K mart with a strategy for the license. They had targeted up to 75 major markets heavily populated by blacks for the initial launch.

"We designed the label, the goods, the whole bit," explained Antonini. K mart buyers and merchandise managers found the manufacturers, and as the licensee had goods made to their specifications.

"We had anticipated a strategy of 900 stores but the merchandise looked so good—particularly in men's—we decided to go chainwide [with men's]. Now we're looking at the women's assortment to see how far we can go with that."

The insignia K mart came up with is a black and white graphic bust of a bird in flight which is on each garment. The spring assortment consists of cotton and cotton blend tank tops and shorts priced at $4.97 and $7.97. K mart started testing shorts and tank tops in southern markets in early spring. The line has since been broadened to include warmups for fall priced at just under $20.

At a New York press conference, K mart showed tank tops for women with color block piecework for women, and gray fleecewear short sets and warmups for both men and women with color striping and mesh inserts.

Initial response to the line was strong, according to K mart. In Lodi, N.J., a test lab for apparel, the BT&SF spring offering sold through in three weeks, according to the store's apparel manager. In that store the shipment filled a double-tier circular rack in both men's and women's departments.

Woolworth Opens First The Rx Place

(Continued from page 3)

curious as to how strong competition between the two chains will impact both chains' advertising budgets in the market and, in turn, profits. Generally, because they operate on thin margins, deep-discount drug store chains keep a tight rein on advertising budgets.

Sales in the Stratford unit, which has 15,000 sq. ft. of selling space, are expected to reach $375 to $400 per square foot after its first full year of operation. That figure should double after three to four years, said Colson, adding the chain should reach an operating profit of 5% to 6%.

As in other deep-discount drug store chains, margins will run 18% to 19%. About 95% of stock is bought on deal; health & beauty aids and cosmetics comprise 55% of the store's assortment.

Unlike many other chains, though, all merchandise, except for shaded items like hair color and eye shadow, are purchased by buyers located at Woolworth's central office in New York, rather than by store management.

At this point, the buying staff consists of only two people—Jim Clark, who buys H&BA and pharmacy items, cosmetics and hair goods, and Jim Courtney, who buys general merchandise. Both are former Woolworth buyers.

In conjunction with the central buying system, the Stratford store has been equipped with both point-of-sale and backroom management information systems.

"We're centrally driven," commented Clark. He explained all merchandise is UPC coded, to be scanned through IBM 3687 holographic scanners. Sales data is captured on IBM 3683 controller terminals at each of the store's 10 checkouts, which **are** hooked to the central IBM 3651 system.

At the end of each day, sales and inventory data are relayed to the host computer in Milwaukee.

An automatic reorder point has been incorporated into the system which identifies minimum and maximum inventory levels before replenishment is necessary. If an item is unavailable for reorder in the same size on deal, the buyers will look for the same brand item in a different size. "There will always be a Colgate or an Aim [toothpaste]," said Clark. However, if a brand item is unavailable on deal in any size, the chain will probably not purchase it, he added.

Clark pointed out as the chain grows, the centralized buying and MIS setup will provide better inventory control and allow for more advantageous high volume deals. "We're geared toward the future," he said. "We're not opening a one-store chain."

The computer system also performs back-of-the-store functions like recording of payroll and bookkeeping.

Future stores will be equipped with the same systems as the new unit. They will average 28,000 to 30,000 sq. ft. in total, with 16,000 to 16,500 sq. ft. devoted to selling space, and an additional 500 sq. ft. occupied by pharmacy. All will have at least 10 checkouts.

Cook United

(Continued from page 3)

who'd operate most of the chain to protect employees, creditors, shareholders and provide a continuing market for its suppliers' products.

Roth claimed he's gotten "very positive response from all classes of creditors," including unsecured creditors whom Cook owes more than $61 million.

Assessing the talks, Cook chairman, president and ceo Russell Hansen said, "On a scale of one to 10, I guess we're about at five" in agreeing to a deal.

Quiz answers: 1b; 2d; 3b; 4c; 5c; 6a; 7b; 8a; 9b; 10c.